



State Of Utah
Department of Environmental Quality
Division of Environmental Response and Remediation

Petroleum Storage Tank (PST) Fund Claims Packet

A guide to help owners and operators
of underground petroleum storage
tanks in Utah obtain money from the
Petroleum Storage Tank (PST) Fund.

October, 1995

The State of Utah established the Petroleum Storage Tank (PST) Fund to help underground storage tank owners and operators (i.e., responsible parties) meet federal requirements for financial assurance and also to help pay the costs of investigation, abatement and cleanups from leaking underground storage tanks (LUSTs). This packet describes the procedures and requirements for obtaining PST Fund assistance for investigating and cleaning up your release site.

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Petroleum Storage Tank (PST) Fund Checklist

The following checklist provides a summary of the steps between initial compliance of your underground storage tank system and the reimbursement process for cleanup costs from the PST Fund. Each step in the checklist is described in more detail in the packet itself.

/	Important Steps to Remember
	Tank or system has leak after a Certificate of Compliance has been issued to the tank. Release is reported to the DERR.
	Submit an Eligibility Application to the DERR (see Appendix A). You will then be informed of your eligibility status.
	Follow the selection criteria guidelines to choose a consultant.
	Document that you have met your standard deductible amount in eligible costs.*
	Submit consultant's statement of qualifications and a fee schedule (unless already on file with the DERR), and all work plans and budgets for DERR review and approval (after your standard deductible has been met) prior to implementation of the work. Do not begin work prior to approval.
	Submit reports of work done and submit claims (proof of payment, copies of invoices, summary voucher, etc.) for reimbursement on a regular basis to the DERR.
	Contact your DERR project manager for approval in case of changes to the original scope of work or budget.

* Standard deductible for leaks which occurred and were reported to the DERR before July 1, 1994, is \$25,000.
Standard deductible for leaks which occurred and were reported to the DERR after July 1, 1994, is \$10,000.

Note: For the sake of brevity "cleanup" as used in this packet generally means those eligible costs incurred during the abatement, investigation, site assessment(s) or cleanup of a release from a LUST.

Overview of Eligibility and Eligible Expenses

If you suspect or confirm a release from your UST system you must report it to the DERR within 24 hours, and take steps to confirm whether a suspected release has in fact occurred, in order to be considered eligible for PST Fund reimbursements.

If your release occurred and was reported before July 1, 1994, you are responsible to pay the initial \$25,000 in eligible costs. The PST Fund may then pay up to \$975,000 (\$475,000 for non-marketer facilities) for cleanup costs in excess of your initial liability or standard deductible. If your release occurred and was reported after July 1, 1994, your liability is \$10,000 in eligible costs.

To be eligible for PST Funds, you must have a valid Certificate of Compliance for the tank from which the release occurred at the time it occurred. You must also make your claim for PST Funds while you have a valid Certificate of Compliance for the tank, or within one year after the expiration of the valid Certificate of Compliance.

The liability or standard deductible amount you spend, either \$25,000 or \$10,000, must be used for customary, reasonable and legitimate expenses, as determined by the Executive Secretary (UST). These expenses may include abatement, investigation, site assessment, monitoring, corrective action, third-party damage claims and settlements, and provision for alternative drinking water supplies.

Expenses may not include costs to achieve compliance with leak detection requirements, costs associated with the upgrading of a system, or the removal or installation of a UST system or any part thereof, loss of business, and legal fees.

Expenses for landscaping, repaving, and building repair are reviewed on a case-by-case basis. A more detailed description of eligible and ineligible costs is included in the "Eligible Costs" and "Ineligible Costs" sections later in this guide.

Work Plan and Budget Process

As part of the process for PST Fund reimbursement, you will be asked to provide work plan(s) and budget(s) addressing the tasks required to bring the release under control, to conduct a subsurface investigation to define the extent and degree of subsurface petroleum contamination, and if necessary, to perform corrective action until the site achieves state-established cleanup levels. For expenses beyond your standard deductible, the work plan(s) and associated budget(s) must be approved by the Executive Secretary (UST) before any work is performed. The approved work plan may be changed and the budget may be exceeded only after obtaining the approval of the Executive Secretary. This can typically be done by requesting a change order and explaining the need for a change in the scope of work or a budget increase.

You may hire a qualified consultant to perform any work associated with the cleanup. For all money which will be expended from the PST Fund, you must follow PST procurement procedures. If you suspect the cost of cleanup will exceed your standard deductible, it may be to your advantage to follow PST procurement procedures in selecting a consultant from the outset of the project. The "Consultant Procurement" subsection of the "Documentation Requirements" of this guide outlines the necessary procurement requirements.

You must submit an eligibility form to begin the PST Fund Claims process, and determine your qualification status.

Begin your investigation and cleanup as soon as possible.

All work after your deductible must be pre-approved by the DERR.

All expenses must be documented completely.

Cost Accounting and Documentation

A copy of invoices for all expenses incurred, including your standard deductible, must be provided to the Executive Secretary for review and approval. All invoices should include the name and address of the contractor or company providing materials or performing services, and their costs should be compiled or itemized on the summary voucher (see Appendix A). All expenses and related documentation must be submitted on a timely basis to the Executive Secretary, who determines if they are eligible costs, and if so, will approve them for reimbursement from the PST Fund. No money can be paid from the PST Fund without the necessary documentation and approval from the Executive Secretary.

As the owner or operator of the site, you remain primarily responsible for all costs incurred, even if you anticipate reimbursement from the PST Fund. You should obtain lien releases from the companies and contractors providing materials or performing services at your release site.

Documentation Requirements

You are required to provide the following reports and documentation to the DERR.

Report and Documentation Requirements

- Report the suspected or confirmed release to the DERR within 24 hours.
- Submit a completed PST Eligibility Application (see Appendix A) to the DERR to determine your eligibility status to claim against the PST Fund.
- Submit documentation of expenses incurred for your standard deductible; as well as the work done beyond the deductible, including copies of canceled checks (or other proof of payment) and invoices for all expenditures.

Important reporting requirements to remember...

In addition, you are required to provide the DERR with:

- A Site and Subsurface Investigation report which defines the extent and degree of the petroleum contamination.
- A Corrective Action Plan, if determined necessary by the DERR, for approval by the Executive Secretary.

If a third party claim resulting from the release is brought against you, or if any action or situation is likely to result in a third-party claim against you, you must immediately report it to the State of Utah Risk Manager, (801) 538-5363, and to the Executive Secretary (UST).

Consultant Procurement Documentation

When hiring an environmental consultant, you are required to provide the DERR with:

- A Statement of Qualifications from the consulting firm detailing the firm's related experience. Include a written contract or agreement for services.

- Work plan(s) and proposed budget(s) for the DERR's approval for all work performed after you have met your standard deductible.
- Submit reports of approved work after it is completed.
- Submit copies of invoices, proof of payment, summary voucher, etc., to your assigned project manager, monthly or on a timely basis as agreed upon, while the work is in progress.

Construction Procurement Documentation

When hiring construction subcontractors, you are required to provide your project manager with:

- Bid document, bid tabulation, and a copy of the three lowest bids for construction not performed directly by the environmental consulting firm.

Eligible Costs

Before disbursing money from the PST Fund, the Executive Secretary is required to confirm the person or company making the claim has legitimately spent their standard deductible on customary, reasonable, and legitimate expenditures related to the cleanup. After the deductible amount has been met, the Executive Secretary may reimburse the claimant for reasonable and eligible costs expended on abatement, investigation, monitoring and cleanup activities related to the release.

Costs which are covered by the Fund.

Eligible costs may include:

- Abatement actions which are taken to limit, reduce, mitigate or eliminate a release or the damage caused by the release of a regulated substance from an UST and/or connected piping and dispensing system.
- Investigation activities which may include soil borings, groundwater monitoring wells, test pits or excavations, environmental sampling, past site history, etc.
- Monitoring costs, including analytical laboratory costs, consulting fees related to sample collection and report writing, and other associated costs.
- Site assessments which result in site-specific information, including hydrogeological information, native soil types, area water well information, migration pathways such as utility conduits, potentially affected populations, etc.
- Provisions for alternate drinking water supplies, if necessary.
- Corrective action activities, which may include cleanup or removal of the contaminant source, containment or isolation of the release, treatment of the release, monitoring and maintenance of the site impacted by the release, and other associated costs.
- Third party damage claims, as allowed by the State Risk Manager.
- Third party settlements and legal costs as determined by legal proceedings or by the State Risk Manager.
- Reasonable and legitimate costs of repairing surface damage arising from the release.
- Other costs to be determined by the Executive Secretary on a site-specific basis.

These actions provide guidelines for claims against the PST Fund. Eligibility of expenses submitted for reimbursement from the PST Fund will be determined on a case-by-case basis by the Executive Secretary.

Not all costs at the site are considered eligible.

Ineligible Costs

Expenses to achieve compliance or used for upgrading an UST system are not considered legitimate expenses for PST Fund claims. Ineligible costs include:

- Expenses to achieve compliance, including:
 - Tank registration fees
 - Tank PST Fund fees
 - Leak detection equipment
 - UST system tightness testing
 - UST system repairs
 - Legal fees incurred on state compliance issues
 - Costs associated with abatement, investigation, monitoring or corrective action for existing LUST sites
 - Other costs as determined by the Executive Secretary on a site-specific basis
- Expenses for upgrading a system, including:
 - Overfill protection
 - Spill containment basin
 - Corrosion protection
 - New tanks or associated supplies, equipment and services
 - Landscaping to improve the site beyond the previously existing condition
 - Asphalt, concrete, gravel or other surface sealing materials placed to improve the site beyond the previously existing condition
 - Other costs as determined by the Executive Secretary on a site-specific basis
- Other ineligible expenses would include:
 - UST system removal. This includes all expenses related to UST closure activities, since the UST is only the containment system and as such, does not need abatement or corrective action. Only abatement or removal of the actual "source" of the leak or release, such as pumping out the fuel within the UST, would be considered an eligible expense
 - Loss of business
 - Any costs charged by the consultant as a percentage (mark-up) for coordination and handling fees for work performed by subcontractors or expenses associated with other direct costs.
 - Other costs as determined by the Executive Secretary on a site-specific basis

Procuring a Consultant

The following guidelines and procedures must be followed by environmental consultants whose fees may be paid from the PST Fund:

Environmental Consultants must meet State requirements.

1. An environmental consultant is defined as any person who provides information, opinion or advice for a fee; or in conjunction with services for which a fee is charged. For the purpose of payments from the PST Fund, eligibility relates to:
 - a. The management of a petroleum UST release;
 - b. The investigation of a site to determine the extent and degree of the release, or potential release of petroleum from an UST;
 - c. The evaluation of air, soil, surface water or groundwater to determine the release of petroleum from an UST; or
 - d. Services such as initial response, investigations, cleanup or remediation of a release of petroleum from an UST must be performed under the direction and responsible control of a person who is approved by the Executive Secretary to perform services on PST Fund eligible sites.
2. Minimum qualifications. The minimum qualifications for approval are:
 - a. Good character and reputation, as determined by the Executive Secretary upon review of at least three letters of reference. The letters of reference must be from entities which have retained the services of the consultant and should include satisfactory performance relating to the scope of work performed and to the following factors:
 - Control of costs
 - Quality of work
 - Ability to meet deadlines
 - Technical competence
 - b. A Bachelor's or advanced degree from an accredited college or university in a science-related field, plus three years within the past five of relevant experience; or
 - a relevant professional registration, license, or certification, plus three years within the past five of relevant experience; or
 - an equivalent combination of appropriate education and experience, as determined by the Executive Secretary.
 - c. The consultant or firm must be bondable, have insurance as required by the Executive Secretary and must comply with all other applicable state and federal regulations. The consultant performing work at the site must have completed OSHA 40-hour safety training.

- d. After January 1, 1996, the consultant must be certified as a "Certified UST Consultant" to perform work at LUST or PST funded sites.
3. A Statement of Qualification (SOQ) must be submitted for each company who will be assigned to perform services at the facility. The SOQ must be submitted to the Executive Secretary for approval before PST Fund money is expended. The SOQ must include:
- a. Documentation of training, education, qualifications and experience for each person assigned to conduct or perform services at the state-funded site.
 - b. Documentation of adequate resources and personnel who will be used to perform support services for the site work; for example, laboratory staff, chemists, engineers, etc.
 - c. A list of in-house equipment available to perform services at the site. A list of construction services provided by the firm.
 - d. The date of availability for providing services at the site.
 - e. Documentation of applicable licenses and certifications required to perform services at the site.
 - f. A list of all key personnel who will conduct or perform the work at the site.
 - g. Document a 100% performance and/or payment bond or other equivalent assurance and insurances as required by the Executive Secretary. Applicable insurances may include:
 - Comprehensive General Liability Insurance in the amount of \$1,000,000.
 - Comprehensive Automobile Liability Insurance in the amount of \$1,000,000.
 - Workers' Compensation and Employers' Liability Insurance in the amount of \$500,000.
 - Engineers' Professional Liability Insurance in the amount of \$1,000,00 specifically endorsed to eliminate any exclusion for underground testing and contractual liability either for the contractor or the consultant providing construction oversight.
 - 100% Performance bonds or other equivalent assurance for the total cost of the project.

Construction Contract Guidelines

The following guidelines and procedures must be followed for construction contractors and cleanup expenditures involving PST Funds.

1. The owner may contract the construction directly with a contractor or construction services may be provided by the owner's consulting firm or subcontracted by the consulting firm. If the owner's consulting firm can provide the construction services (for example; soil borings, monitoring well installation, overexcavation, etc.), then the work will be considered part of a study to determine the extent and degree of petroleum contamination. If any part of the construction services must be solicited from other contractors the bidding requirements will apply. Only customary and reasonable costs will be approved for reimbursement from the PST Fund. A fee schedule must be submitted by the consulting firm providing the construction services, equipment, etc. if the services were not competitively bid, along with sole source justification.
2. Bids are required for corrective action or equipment construction since this is not considered part of a study, but is automatically associated with construction.
3. Bids must be obtained from at least three construction contractors. The owner or his consultant must send an invitation to bid to contractors who are responsive, responsible and experienced in the services required.
4. A bid document must be prepared detailing the services and/or equipment required for the job. A separate bid must be prepared for individual construction projects required at the facility.
5. Bids must be submitted in writing to the owner or his consultant at a location to be determined by the owner.
6. A bid tabulation sheet must be submitted to the project manager listing the contractors who responded to the invitation to bid and the amount of the bid. A bid package from the lowest bidder must be submitted to the project manager for approval before the bid is awarded. The lowest responsive, responsible bidder will be awarded the job unless the consultant or owner has justification for not accepting the bid. The justification must be submitted with the bid package for the next lowest bidder and must be approved by the project manager before the award is made.
7. Construction contractors will be considered responsible if they carry the following insurance, training and bonding capabilities:
 - Compliance with OSHA and EPA standards and have personnel on-site who have successfully completed 40-hour safety training.
 - Comprehensive General Liability Insurance in the amount of \$1,000,000.
 - Comprehensive Automobile Liability Insurance in the amount of \$1,000,000.
 - Workers' Compensation and Employers' Liability Insurance in the amount of \$500,000.

- Engineers' Professional Liability Insurance in the Amount of \$1,000,000 specifically endorsed to eliminate any exclusion for underground testing and contractual liability either for the contractor or the consultant providing construction oversight.
 - Performance bonds for the bid amount or the equivalent assurance.
 - Payment bonds for the bid amount, guaranteeing payment to subcontractors.
8. All contracted work must be completed within the schedule agreed upon as part of the contract work order unless a stop work order is issued or the completion date is extended through a change order. A stop work order will only be issued in extreme circumstances either by the owner or by the Executive Secretary or his representative. Completion of work according to project schedule includes the review and approval of deliverables by the project manager and by the owner or his representative.
 9. Should circumstances beyond the control of the contractor necessitate a late delivery, a request for extension must be submitted in writing to the project manager with a full explanation of the circumstances.
 10. Occasionally, the need may arise for a change order to be approved by the project manager verbally while the contractor is performing work in the field. These change orders must be followed up by the contractor in writing. Whenever possible, change orders should be submitted in writing and should not significantly change the scope of work, schedule or original contract dollar amount. If significant changes are required in the scope of work being performed or more than 20% of the original amount, a new contract or agreement and competitive bids may be required as directed by the Executive Secretary.
 11. The State of Utah's obligation to provide funding for eligible projects making claims from the PST Fund are contingent upon the availability of funds in the PST Fund account.

Appendix A

Application and Forms

This Appendix contains the forms and applications necessary to obtain cleanup assistance from the PST Fund.



UTAH DEPARTMENT OF
ENVIRONMENTAL
QUALITY
Division of Environmental
Response and Remediation

Petroleum Storage Tank (PST) Section
P.O. Box 144840
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PHONE: (801) 536-4100
FAX: (801) 359-8853
TDD: (801) 536-4414

Petroleum Storage Tank (PST) Fund Claims Procedures

Facility Identification No. _____, Release Site _____,
located at _____, _____, Utah

The PST Fund is a voluntary fund available to participating owners/operators. If you are a participant, you may be eligible to make a claim against the PST Fund for a petroleum release. If eligible, funds are available to help in the abatement, investigation, and cleanup of your release. There are time constraints provided by statute that may cause an otherwise eligible release to become ineligible. Therefore, it is important to file your eligibility application promptly. Please contact the DERR's PST Section at (801) 536-4100 and request a PST Fund Claims Packet.

The PST Fund was established to help petroleum tank owners/operators (responsible parties) meet the financial burden of a petroleum release. However, prior to PST Fund payment, eligibility criteria must be met and a deductible is required. The deductible amount for releases which occurred and were reported prior to July 1, 1994, is \$25,000 of eligible costs, and \$10,000 for releases which occurred and were reported after that date. NOTE: Because not all costs are considered eligible and the eligibility criteria is critical for you being able to qualify for payments from the PST Fund, please contact the Division's PST Section if you have any questions regarding the PST Fund or claims process.

To establish PST Fund eligibility and financial assistance please complete the following steps:

- ☐ 1. To file a claim against the PST Fund, complete and submit the eligibility form to the DERR (form is on back side of this notice). Should you qualify for PST funding, you will be informed in writing and receive a PST Fund Claims Packet with a Customer Guidebook to aid you in the claims/payment process.
- ☐ 2. The certified consultant that you choose must have a current statement of qualification approved by the DERR. If your certified consultant does not have an approved statement of qualification, the work they perform may not be reimbursable by the PST Fund. If your consultant is not certified, his/her work is not reimbursable.
- ☐ 3. Submit itemized expenses on the summary voucher (included in the PST Fund Claims Packet), proof of payment for your deductible amount and copies of all invoices.
- ☐ 4. To receive reimbursement, work plan(s) and budget(s) for any amount exceeding the deductible for abatement, investigation, or corrective action must be approved by DERR **prior** to implementation.
- ☐ 5. For PST Fund reimbursement payment, submit claims regularly on the summary voucher. Include copies of invoices, proof of payment and itemize time and material expenses.
- ☐ 6. Should emergency actions be needed at the release site, contact your state-assigned project manager at (801) 536-4100. Changes in approved work plan(s) or budget(s) require written approval from the DERR project manager prior to the change being implemented.

If you have any questions, please call _____
at (801) 536-4100 or at (801) 536-_____.

<h1 style="margin: 0;">PST Fund Eligibility Application</h1>		Utah Department of Environmental Quality Division of Environmental Response and Remediation Petroleum Storage Tank (PST) Section	
Certificate of Compliance Number & Expiration Date		Were tanks in compliance when leak was detected? <div style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
LUST Release Number (if issued)	Facility ID Number	Tax ID Number	
Applicant Name (please print)		Signature	Date
Mailing Address			
City	State	Zip	Telephone ()
Applicant is a: <input type="checkbox"/> Tank System Owner <input type="checkbox"/> Facility Owner <input type="checkbox"/> Tank System Operator <input type="checkbox"/> Land Owner			
If the tank system owner or operator, the facility owner, or owner of the land on which the tank system is located is different than the applicant shown above, complete the appropriate spaces in this portion of the form.	<input type="checkbox"/> Tank System Owner <input type="checkbox"/> Facility Owner <input type="checkbox"/> Tank System Operator <input type="checkbox"/> Land Owner		
	Mailing Address		
	Telephone		
	Dates of Ownership From _____ To _____		
Name of facility at release site			
Site Address			
Contact person at the site		Telephone ()	
Date Release occurred or was discovered		Date release was reported to the DERR	
Number of tank systems that contributed to the release at the site (attach additional sheets if needed).			
Tank Number	Tank Volume	Product	Installation/Closure Date
Is this release covered under independent insurance: <div style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div>			
Number of tank systems that were or will be removed during the course of this site cleanup.			
How was the release confirmed? Attach a brief summary that includes laboratory analysis, field instrument readings, visual observations, tank tightness test results, etc.			
Is there evidence of a previous release? If so, describe how the release was determined.			

				TOTAL SUBMITTED: \$									
SIGNATURE OF RESPONSIBLE PARTY		DATE	SIGNATURE OF CONSULTANT FOR PROJECT		DATE		CLAIM # 1		LESS DISALLOWED COSTS:				
NOTE: Signatures of BOTH Responsible Party AND Consultant required for Direct Reimbursement to the Consultant. Only one signature required for reimbursement to Owner.							PMT #						
STATE USE:													
PROJECT MANAGER		DATE	ACCOUNTANT		DATE		EXECUTIVE SECRETARY		DATE				
PST SECTION MANAGER		DATE	MSC		DATE		DEQ/FINANCE		DATE				
RPVTEMP.XLS		REV DATE:	9/9/1999	FINANCIAL CODING		FUND	AGENCY	LOW ORG	APPR	SOURCE	REPT CAT	PROJECT NO. / SUB-PRO	AMOUNT
				731		480	4731	731	6137	4XXX		\$	
										SUB-TOTAL APPROVED: \$			
										LESS DEDUCTIBLE: \$			
										TOTAL TO REIMBURSE: \$			

UTAH STATE PETROLEUM STORAGE TANK FUND Claim Form

Facility Identification Number:_____ LUST Release Number:_____

Name of person initiating the claim:_____

Mailing Address:_____

Telephone Number:_____

Claimant is: ☐ Tank system owner ☐ Tank system operator ☐ Facility owner
 ☐ Land owner ☐ Environmental Consultant ☐ Contractor

Which phase of work outlined in the Reporting and Remediation Schedule does this claim apply to:

- ☐ Abatement and initial site characterization ☐ Subsurface investigation
☐ Free product removal ☐ Corrective action
☐ Other:_____

NOTICE TO CLAIMANT:

All invoices submitted with this claim must be complete and include the name, address, and phone number of the company supplying the labor, equipment, or materials.

Payment of this claim will only be made for services rendered and/or materials that have been delivered to the job site. If the payment of this claim is for reimbursement of money expended by the responsible party, submit a copy of cancelled checks (or other proof of payment), and copies of the original bills indicating payment was made in full.

I, the responsible party or his representative, have inspected the job site to ensure that the work indicated for collection by this claim has been completed or that the materials described herein are at the job site.

Name:_____ Company:_____

Signed:_____ Date:_____

Utah Petroleum Storage Tank Fund

CONSULTANT NAME

WORK PLAN DESCRIPTION

**BUDGET
REMAIN**

BUDGET
REMAINBUDGET
REMAIN

**% OF
WORK
REMAINING**

WORK PLAN TOTAL